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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 144

SHORT TITLE: Repeal Special Zoning District Act

SPONSOR: Block, J

LAST ORIGINAL
UPDATE: _____ **DATE:** 2/13/26 **ANALYST:** Gygi

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
AOC	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact		

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Administrative Office of the Courts

Agency or Agencies That Were Asked for Analysis but did not Respond

Department of Finance and Administration
Taxation and Revenue Department

SUMMARY

Synopsis of Senate Bill 144

Senate Bill 144 (SB144) repeals the Special Zoning District Act (Sections 3-21-15 through 3-21-26 NMSA 1978) which allows residents in unincorporated areas to create their own local zoning authority.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

SB144 does not include an appropriation. The Administrative Office of the Courts (AOC), the only agency submitting an analysis, anticipates only a minimal administrative cost for statewide update, distribution and documentation of statutory changes. AOC also notes that doing away with the penalties and claims provisions in current statute may serve to reduce the impact upon

the judiciary, thereby reducing costs to the courts (see below).

Presumably, there would also be impacts on the special districts, which could potentially lose revenues from fees and might also need to eliminate staff positions.

SIGNIFICANT ISSUES

According to the New Mexico Zoning Atlas, there are 1,200 special zoning districts in the state. These districts are in addition to the 140 zoning jurisdictions associated with counties and municipalities. The intent of SB144 is to eliminate regulations and restrictions which might limit the amount and type of housing within the district. The bill would eliminate the special districts but not apply to the other jurisdiction types. It is unclear how active these special districts are and how many housing units they encompass.

Under current statute, a district can be formed in a contiguous area of no more than 20,000 acres if:

- It contains at least 150 single-family dwellings.
- At least 51% of registered electors in the area sign a petition.
- The petition and a plat of the area are filed with the county clerk.
- Once formed, a zoning commission is elected to oversee land use and enforce ordinances.

These districts must still comply with existing county regulations; the district's authority does not nullify county zoning. If a municipality annexes part of the district, that territory falls under the municipality's jurisdiction, and the special district loses its authority over it.

Paradise Hills in Bernalillo County is an example of such a district, which uses its zoning authority to manage overcrowding, safety, and land conservation.

AOC explains district commissions have the authority to regulate and restrict:

- (1) the height, number of stories and size of buildings and other structures;
- (2) the percentage of a lot that may be occupied;
- (3) the size of yards, courts and other open spaces;
- (4) the density of populations;
- (5) the location and use of buildings and structures; and
- (6) the use of lands for trade, industry, residence or other purposes.

PERFORMANCE IMPLICATIONS

AOC reports the courts are participating in performance-based budgeting. SB144 bill may have an impact on the measures of the district courts in the following areas:

- Cases disposed of as a percent of cases filed
- Percent change in case filings by case type

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

According to AOC, in 1999, both houses of the legislature voted to repeal the Special Zoning District Act in SB 718, but it was vetoed by Governor Gary Johnson. There is no analysis

available for that bill.

OTHER SUBSTANTIVE ISSUES

SB144 would eliminate sections of statute that allow prosecution and penalties for violation of special zoning district regulations. It would also eliminate the ability to file claims for relief by persons unhappy with zoning decisions. AOC provides context regarding violations and claims of relief under the act:

Section 3-21-23 NMSA 1978 provides that a violation of the Special Zoning District Act, or any ordinance made thereunder, is a misdemeanor. Section 3-21-24 NMSA 1978 provides that the ordinances enacted under the authority of the Zoning District Act shall be enforced by the District Attorney and the sheriff of the county or counties in which the district is situated. Section 3-21-25 NMSA 1978 provides that a person aggrieved by any regulation, restriction, or ordinance made by the commission may file a claim for relief in the District Court.

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